

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 7759**

**BILL NUMBER: HB 1845**

**DATE PREPARED:** Feb 14, 2001

**BILL AMENDED:** Feb 14, 2001

**SUBJECT:** Indiana Commission on Excellence in Health Care.

**FISCAL ANALYST:** Sherry Fontaine

**PHONE NUMBER:** 232-9867

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill creates the Indiana Commission on Excellence in Health Care to study issues related to the quality of health care provided to Indiana residents. The bill specifies membership requirements and meeting procedures. The bill requires the Commission to submit a report to the Governor, Health Finance Commission, and Legislative Council not later than October 1, 2004. The bill also provides evidentiary exclusions for information presented to or prepared by the Commission.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:** (Revised) This bill creates a 13-member Indiana Commission on Excellence in Health Care. Eight of the members will be legislators, two of the members will be state employees, and three of the members will be lay members. The Chairperson of the Commission shall be appointed by either the Speaker of the House of Representatives or the President Pro Tempore of the Senate.

The purpose of the Commission is the following:

- (1) Identify existing data sources that evaluate quality of health care in Indiana and collect, analyze, and evaluate this data.
- (2) Establish guidelines for data sharing and coordination.
- (3) Identify core sets of quality measures for standardized reporting by appropriate components of the health care continuum.
- (4) Recommend a framework for quality measurement and outcome reporting.
- (5) Develop quality measures that enhance and improve the ability to evaluate and improve care.

- (6) Make recommendations regarding research and development needed to advance quality measurement and reporting.
- (7) Evaluate regulatory issues relating to the pharmacy profession and recommend changes necessary to optimize patient safety.
- (8) Facilitate open discussion of a process to ensure that comparative information on health care quality is valid, reliable, comprehensive, understandable, and widely available in the public domain.
- (9) Sponsor public hearings to share information and expertise, identify best practices, and recommend methods to promote their acceptance.
- (10) Evaluate current regulatory programs to determine what changes need to be made to facilitate patient safety.
- (11) Review public and private health care purchasing systems to determine if there are sufficient mandates and incentives to facilitate continuous improvement in patient safety.
- (12) Analyze how effective existing regulatory systems are in ensuring continuous competence and knowledge of effective safety practices.
- (13) Develop a framework for organizations that license, accredit, or credential health care professionals and health care providers to more quickly and effectively identify unsafe providers and professionals and to take action necessary to remove an unsafe provider or professional from practice or operation until such time as the professional or provider has proven safe to practice or operate.
- (14) Recommend procedures for development of a curriculum on patient safety and methods of incorporating such curriculum into training, licensure, and certification requirements.
- (15) Develop a framework for regulatory bodies to disseminate information on patient safety to health care professionals, health care providers, and consumers.
- (16) Recommend procedures to incorporate recognized patient safety considerations into practice guidelines and into standards related to the introduction and diffusion of new technologies, therapies, and drugs.
- (17) Recommend a framework for development of community based collaborative initiatives for error reporting and analysis and implementation of patient safety improvements.
- (18) Evaluate the role of advertising in promoting or adversely affecting patient safety.
- (19) Evaluate and make recommendations regarding the need for licensure of additional persons who participate in the delivery of health care to Indiana residents.
- (20) Evaluate the benefits and problems of the current disciplinary systems and make recommendations regarding alternatives and improvements.
- (21) Study and make recommendations concerning the long term care system.

(22) Study any other topic required by the Chairperson.

The State Department of Health will provide staff support for the Commission and the Legislative Services Agency will provide administrative support for the Commission as specified in the bill. Except for the duties performed by the Legislative Services Agency, the expenses for the Commission will be paid from funds appropriated to the State Department of Health. The amount of funds appropriated are \$34,400 in each of FY 2002, FY 2003, and FY 2004. These funds will be appropriated from the state General Fund.

Lay members are entitled to a per diem of \$50 and travel expenses. State employees who are members of the Commission will be reimbursed for travel expenses. These expenses will be paid from the appropriations to the State Department of Health. Legislative members of the Commission will receive a per diem of \$112 and travel expenses which will be paid by the Legislative Council out of the appropriation for legislator travel. Average costs, if all legislative members attend, are projected to be about \$1,300 per meeting. Total costs will depend on the number of meetings held.

The Commission may create subcommittees to study topics, receive testimony, and prepare reports on the topics assigned by the Commission. The State Department of Health and the Legislative Services Agency are not required to provide staff support to the subcommittees, except that the State Department of Health will make copies of reports and other documents. Members of the subcommittees will not receive a per diem, mileage, or travel allowances.

The bill requires the Commission to submit a final report to the Governor, Health Finance Commission, and Legislative Council not later than October 1, 2004.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State Department of Health, Legislative Services Agency.

**Local Agencies Affected:**

**Information Sources:**